Shortage of Pediatric Specialists

The demand for healthcare services is far outpacing the supply of physicians due in part to the influx of millions of newly insured individuals entering the healthcare marketplace via health insurance marketplaces, the expansion of Medicaid, and greater utilization by an aging baby boomer population. Similar to the primary care physician and surgical shortages, discussed in parts one and two of this three-part series, respectively, the Patient Protection and Affordable Care Act (ACA), and its accompanying expansion of Medicaid in many states, may also contribute to the shortage of specialist physicians, particularly in pediatric specialties. In the next decade, 32 million Americans will become newly insured as a result of healthcare reform, including a significant number of children. However, the number of physicians available to treat these newly insured individuals is not expected to increase at a comparable rate. As a result, a shortage of approximately 130,600 physicians is anticipated by 2025. Of these, 64,800 are expected to be non-primary care specialty physicians.

The ratio of pediatric specialists to patients is of particular concern. On average, there are approximately 100,000 to 200,000 children per pediatric specialty provider across hospital referral regions in the U.S., and there are only 28,000 pediatric medical subspecialists and surgical specialists to care for over 80 million children. Additionally, patient demand for pediatric specialty services has steadily increased over the past few decades, illustrated by an increase in the percentage of children under age 18 who visit pediatric specialists, from 1.6% in 1980 to 4.5% in 2000. As a result of this increased demand, current wait times for an appointment to see a pediatric specialist average between five weeks and three months.

A number of factors have contributed to the shortage of pediatric specialists, including: (1) uneven geographical distribution of specialists; (2) a limited number of training positions; and, (3) an increased demand for specialty services, as more children are suffering from chronic conditions, such as asthma, obesity, diabetes, or mental health disorders. However, one of the most significant factors cited as contributing to the pediatric specialist shortage is financial concerns (e.g., the debt load) of practitioners. Healthcare providers entering a specialty must undergo an additional three years of training beyond their pediatric residency. Although this additional training significantly increases the debt burden of pediatric specialists, it is not necessarily reflected in their salary and reimbursement levels. A study published in the Journal of the American Academy Pediatrics concluded that pursuing a fellowship in eight of twelve pediatric specialties was a “negative financial decision when compared with pursuing no fellowship at all and practicing as a general pediatrician.” Further, there are significant payment inequities between pediatric specialists and specialists who treat adults. The salaries of pediatric specialists are approximately 20% to 40% lower than their adult specialist counterparts for some specialty areas. This payment inequity may be attributable to a number of factors, including: (1) fewer expensive procedures relative performed by pediatric specialists to adult specialists; and, (2) the prevailing reimbursement scheme for physician services, commonly referred to as the Resource-based Relative Value Scale (RBRVS), which does not take into account the extra time pediatric specialists spend with their young patients to communicate effectively, provide reassurance, and assuage their fears. As a result, pediatric specialists are not able to bill “at a rate that captures the true time and effort necessary to provide care.”

In an apparent attempt to quell the burgeoning shortage of pediatric specialists, the ACA included a provision targeted at reducing the debt burden of these providers. Section 5203 of the ACA established a loan repayment program for individuals who are willing to practice in a pediatric subspecialty for at least two years in an underserved area. Loan repayment recipients are eligible to receive $35,000 in loan forgiveness annually (in addition to their residency salary), for a maximum of three years, for participation in training or practice in pediatric subspecialties. Although the ACA authorized $30 million for each of the fiscal years 2010 through 2014, Congress has yet to appropriate any funding for this program, and, as a result, no pediatric specialists have received this loan repayment assistance. Therefore, it is unlikely that the program will have any impact on the shortage of pediatric specialists in the near future.

Section 1202 of the ACA, although not targeted directly at pediatric specialists, may encourage physicians to enter these practice areas. This provision allows for higher Medicaid payments for specific primary care services furnished by a number of primary care providers who have received additional training in Primary Care for Children (PC4C).
physicians, including those who practice “pediatric medicine.” In its November 2012 final rule implementing this provision, the Centers for Medicare and Medicaid Services (CMS) noted that pediatric subspecialists would be eligible to receive higher payments for specifically designated services. Because many pediatric specialists serve a high proportion of Medicaid patients, an increase in their reimbursement may increase the number of physicians willing to specialize in pediatrics.

The demand for physicians will likely continue to increase as various provisions of the ACA continue to be implemented, and access to healthcare increases as a result of Medicaid expansion and the newly-created health insurance marketplaces. In specialty areas that already face significant physician shortages, such as pediatrics, these critical shortages may be further exacerbated. Although there have been some efforts to decrease the shortage of specialty physicians, there is still relative uncertainty regarding whether these efforts will be successful in the coming years.

2 Association of American Medical Colleges.
3 Association of American Medical Colleges.
4 Association of American Medical Colleges.
5 “Are We There Yet? Distance to Primary Care and Relative Supply Among Pediatric Medical Subspecialties,” By Michelle L. Mayer, Pediatrics, Vol. 118 (2006), p. 2316-2318.
10 Ibid.
14 Ibid.
17 Ibid.
18 Ibid.
19 Ibid.
22 Ibid.
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